



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
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ARLINGTON, VIRGINIA 22202-4704

SEP 25 2002

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Guidance for the Investigation of Fraud, Waste, and Abuse Involving the
Use of Purchase Cards and Travel Cards

In accordance with recommendations of the Department of Defense Charge Card Task Force final report issued June 27, 2002, the following guidance is effective immediately and will remain in effect until included in a DoD issuance.

In its final report, the Task Force recommended that the Inspector General of the Department of Defense issue guidance regarding the notification of supervisors and security managers when a purchase card or travel card holder comes under investigation for misconduct associated with the use of charge cards.

When a Defense Criminal Investigative Organization or Department of Defense organizational element responsible for investigating potential misconduct involving the travel or purchase card initiates an investigation into allegations of fraud, misuse, or abuse of authority regarding a purchase card or a travel card, the cardholder's commander or second-line supervisor, as appropriate, and security manager shall be notified. Wherever possible, this notification shall take place within 72 hours of the initiation. The term "commander" means a commissioned or warrant officer who, by virtue of rank and assignment, exercises primary command authority over a military organization or prescribed territorial area that under pertinent official directives is recognized as a "command."

Components should incorporate this guidance into their respective regulations/directives.


Joseph E. Schmitz

cc:

Acting Director, Defense Criminal Investigative Service
Commander, US Army Criminal Investigation Command
Director, Naval Criminal Investigative Service
Commander, Air Force Office of Special Investigations



COMMAND, CONTROL,
COMMUNICATIONS, AND
INTELLIGENCE

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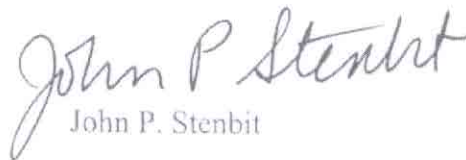
MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
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DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Suspension of Access to Classified Information Due to Abuse or Misuse of
Government Charge Cards

The Charge Card Task Force established last March by the Under Secretary of Defense (Comptroller) investigated the Department's charge card programs and recommended ways to strengthen the procedures and internal controls. One of the Task Force's recommendations is that investigative agencies must ensure that security managers and supervisors are appropriately notified when a government purchase or travel charge cardholder comes under investigation for charge card misuse or abuse.

Prompt action is required in response to allegations of charge card misuse or abuse by Department of Defense (DoD) military or civilian personnel. The commander or head of the organization has the authority (per subparagraph C8.1.3. of DoD 5200.2-R) to suspend the individual's classified access. Therefore, DoD Component security officials shall immediately report such allegations to the appropriate commander or head of a DoD organization. The commander or head of the organization shall take immediate action upon receipt of information that raises serious questions as to the individual's ability or intent to protect classified information or execute sensitive duties. The commander or head of the organization shall make an immediate determination to either to continue the individual's security status unchanged or to suspend an individual's access to classified information or assignment to sensitive duties until the appropriate authority designated in Appendix 5 of DoD 5200-2-R makes a final determination regarding the individual's eligibility to retain a security clearance.

Financial responsibility and trustworthiness are key components for determining whether a military member or civilian employee is eligible for the issuance of, or continuation of, a security clearance. These same factors should be carefully considered should instances of abuse or misuse of a government purchase or travel card be alleged. Supervisors and security managers must consider whether suspension of the individual's access to classified information is appropriate based on the applicable security standards and the specific conduct of the individual.

A handwritten signature in black ink, reading "John P. Stenbit". The signature is written in a cursive style with a large, stylized "J" and "S".

John P. Stenbit



PERSONNEL AND
READINESS

UNDER SECRETARY OF DEFENSE
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JUN 10 2003

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
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DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTOR, FORCE TRANSFORMATION
DIRECTOR, NET ASSESSMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DEFENSE FIELD ACTIVITIES

SUBJECT: Disciplinary Guidelines for Misuse of Government Charge Cards by Military
Personnel

Following reports of government charge card misuse within the Department, the DoD Charge Card Task Force identified personal accountability as essential to DoD's efforts to strengthen the Department's purchase and travel charge card programs. Personal accountability for government charge card misuse was also a focus of Congress in passing Public Law 107-248, § 8149(c), and Public Law 107-314, §1007(c), which this memorandum implements for military personnel.

It shall be DoD policy that in each case of improper, fraudulent, abusive, or negligent use of a government purchase or travel charge card by military personnel, including any use at establishments or for purposes that are inconsistent with the official business of DoD or with applicable standards of conduct, the commander or supervisor of the responsible individual or parties will be informed in a timely manner in order that appropriate corrective or disciplinary action may be taken.

The intent of this policy is to ensure that management emphasis is given to the important issue of personal accountability for charge card misuse; there is no intent to deprive commanders and supervisors of their discretion in handling charge card misuse in a manner appropriate to each individual case.

The best way to curtail charge card misuse is to prevent it through proper selection of cardholders, training, and leadership by example. When misuse occurs, commanders and



supervisors must carefully consider all of the facts and circumstances in reaching a disposition that is warranted, appropriate, and fair. Simply ignoring the problem is not an option.

Actions available when military personnel misuse a purchase or travel charge card include counseling, admonishment, reprimand, nonjudicial punishment (Article 15, Uniform Code of Military Justice (UCMJ)), court-martial, and administrative separation.

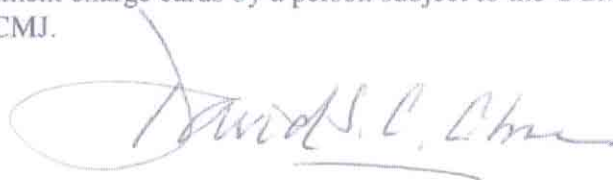
In appropriate cases, pecuniary liability, referral for criminal prosecution in civilian courts, and civil enforcement action are other ways to hold military personnel personally accountable for charge card misuse.

A progression of increasingly severe disciplinary measures is often appropriate in the case of minor instances of misuse, but more serious cases may warrant the most severe sanctions in the first instance. Clearly, there is no single response appropriate for all cases. While the merits of each case may be different, timeliness, proportionality, and the exercise of good judgment and common sense are always important.

In taking corrective or disciplinary action against military personnel who misuse government charge cards, commanders or supervisors shall use the procedures established for each action by the appropriate Military Department and consult with their legal advisors as necessary.

In addition to corrective or disciplinary action, military personnel who misuse their government charge cards may have their access to classified information modified or revoked if warranted in the interests of national security. Commanders or supervisors shall follow previously issued guidance (attached) to ensure that security clearance reviews are conducted when the holder of a government charge card comes under investigation for charge card misuse.

DoD Components shall incorporate these guidelines into their own policies. Additionally, each Military Department shall have a regulation providing that a violation of any of the rules governing the use of government charge cards by a person subject to the UCMJ is punishable as a violation of Article 92, UCMJ.

A handwritten signature in dark ink, appearing to read "David S. C. Chu", with a large, stylized loop at the beginning.

David S. C. Chu

Attachments
As



OFFICE OF THE UNDER SECRETARY OF
DEFENSE

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29 DEC 2003



PERSONNEL AND
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MEMORANDUM FOR DISTRIBUTION

SUBJECT: Government Charge Card Disciplinary Guide for Civilian Employees

This memorandum implements 10 U.S.C. § 2784a, as amended by section 1009 of the National Defense Authorization Act (NDAA) for Fiscal Year 2004, Public Law 108-136. Additionally, it is a follow-up to my memorandum dated April 21, 2003, implementing the "Government Charge Card Disciplinary Guide for Civilian Employees."

Section 2784a, as amended, now requires that the Department of Defense (DoD) issue regulations providing for appropriate corrective actions, including removal in appropriate cases, for employees who violate the regulations or are negligent or engage in misuse, abuse or fraud with respect to a Defense travel card. This act also requires an assessment of penalties. The Bob Stump National Defense Authorization Act for Fiscal Year 2003, Public Law 107-314, previously required that DoD issue regulations providing for appropriate corrective actions for employee government charge card violations. Existing Component disciplinary policies satisfy these requirements; however, the sample range of suggested penalties in the attached updated guidance ensures policies reflect consistent application.

Enhancements were made to the Defense Civilian Personnel Data System (DCPDS) to document formal disciplinary and/or adverse actions taken for misconduct related to government charge cards. You were advised of these enhancements by my memorandum dated July 18, 2003. Please ensure continued use of these codes so we can support Office of Management and Budget requirements to provide quarterly updates on disciplinary and adverse actions related to government charge cards.

DoD Components must take action to implement the attached charge card disciplinary guide for civilian employees as necessary and advise my office of your actions. In addition, please advise my office of any additional administrative action, or any recommended legislation your Component considers necessary to effectively take disciplinary action against DoD civilian employees for improper, fraudulent, or abusive use of DoD travel cards. We anticipate that this information will be combined with similar information regarding military personnel and used to satisfy congressional

reporting requirements as outlined in subsection 1009(e) of Public Law 108-136. Please furnish this office by January 9, 2004, the information as described above.

My point of contact on this matter is Ms. Debra Buford at (703) 696-1263.

A handwritten signature in black ink, appearing to read 'Ginger Groeber', with a stylized flourish at the end.

Ginger Groeber
Deputy Under Secretary
Civilian Personnel Policy

Attachment:
As stated

**DEPARTMENT OF DEFENSE
GOVERNMENT PURCHASE AND TRAVEL CHARGE CARD DISCIPLINARY
GUIDE FOR CIVILIAN EMPLOYEES**

References

- A. 10 U.S.C. § 2784a, as enacted by section 1008 of Pub. L. 107-314, and amended by section 1009 of Pub.L. 108-136
- B. 10 U.S.C. § 2784, as amended by section 1007 of Pub. L. 107-314
- C. Inspector General Memorandum dated September 25, 2002, "Guidance for the Investigation of Fraud, Waste, and Abuse Involving the Use of Purchase Cards and Travel Cards" (Appendix 1)
- D. Assistant Secretary of Defense (Command, Control, Communications and Intelligence) Memorandum dated November 4, 2002, "Suspension of Access to Classified Information Due to Abuse or Misuse of Government Charge Cards" (Appendix 2)
- E. Sample of a Proposed Table of Potential Charge Card Offenses and Remedies (Appendix 3)

A. Purpose

This guide further implements references A and B for DoD civilian employees.

B. Scope

This guide applies to civilian employees, including those paid from non-appropriated funds, employed in the Office of the Secretary of Defense, the Military Departments, the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense agencies, the DoD Field Activities, and all other organizational entities within the Department of Defense (hereafter referred to collectively as the "DoD Components").

C. Policy

It is DoD policy that improper, fraudulent, abusive, or negligent use of a government purchase or travel charge card is prohibited. This includes any use of government charge cards at establishments or for purposes that are inconsistent with the official business of DoD or with applicable regulations. DoD policy continues to require supervisors, who receive information indicating that a civilian employee has engaged in any misuse of a government charge card, take appropriate action, including an investigation if indicated. The supervisor of the responsible individual(s) will be informed in a timely manner so that appropriate corrective or disciplinary/adverse action may be taken. In addition, civilian personnel who fail to satisfy an indebtedness arising from the use of a

**DEPARTMENT OF DEFENSE
GOVERNMENT PURCHASE AND TRAVEL CHARGE CARD DISCIPLINARY
GUIDE FOR CIVILIAN EMPLOYEES**

government travel charge card or those who fail to do so in a timely manner may be subject to corrective or disciplinary/adverse action.

The intent of this guide is to ensure that management emphasis is given to personal accountability for government charge card misuse. There is no intent to deprive managers and supervisors of their discretion in handling government charge card misuse in a manner appropriate to each individual case. Likewise, there is no intent to revise Component disciplinary policy. The circumstances of each individual case will determine the appropriate type of corrective or disciplinary/adverse action, if any, which may be imposed. Generally, a progression of increasingly severe penalties is appropriate from minor instances of misuse to more serious cases. In some instances, the infraction may warrant the most severe penalty for first offenses. Clearly, there is no single response appropriate for all cases. While the merits of each case may be different, timeliness, proportionality, and the exercise of good judgment and common sense are always important. Where applicable, full consideration must be given to the relevant "Douglas Factors" as provided in Douglas v. Veteran's Administration, 5 MSPB 313 (1981).

Each DoD Component must now submit documentation to the Deputy Under Secretary of Defense (Civilian Personnel Policy) (DUSD(CPP)) outlining its policy/regulation and how the policy/regulation meets the statutory requirements in section 1009 of the National Defense Authorization Act for Fiscal Year 2004, with respect to its civilian employees. Likewise, this information should include additional administrative action, or recommended legislation the Component considers necessary to effectively take disciplinary action against DoD civilian employees for improper, fraudulent, or abusive use of DoD travel cards. This information will be consolidated with comparable information regarding military personnel and will be used to comply with the comprehensive reporting requirement in section 1009. A sample table of potential charge card offenses and remedies has been included with this guide at reference E.

Government charge card offense(s) should be framed in a manner that appropriately describes the actions that constitutes the misconduct. The supporting Human Resources Office should assist the appropriate supervisor who is considering corrective or disciplinary/adverse action on the selection of the charge and appropriate penalty based on Component past practice, regulatory guidance, applicable case law and good judgment. Coordination with the appropriate legal office should occur early in the process, as required by Component policy.

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GOVERNMENT PURCHASE AND TRAVEL CHARGE CARD DISCIPLINARY
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D. Relationship to Security Clearances

The review of the security clearance (or the modification or revocation of such security clearances in light of this review) of the individual involved in credit card misuse or abuse cases is not a disciplinary action and should not be treated as such. However, this does not preclude a separate and independent review of such misuse or abuse by the appropriate security managers in accordance with references C and D. Modification or revocation of a security clearance will result in appropriate action, which could include reassignment or removal for failure to meet or maintain a condition of employment.

E. Responsibilities

The Heads of the DoD Components shall:

- 1) Provide documentation responding to the provisions of this guide to the DUSD(CPP) not later than January 9, 2004;
- 2) Ensure that commanders and supervisors are informed on the potential misuses and abuses of government charge cards and their responsibilities to have suspected misuses and abuses appropriately investigated; and
- 3) Ensure that commanders and supervisors are trained to take appropriate corrective or disciplinary/adverse action with respect to offenses involving government charge cards.

APPENDIX 3

**SAMPLE SCHEDULE OF POTENTIAL CHARGE CARD OFFENSES
AND REMEDIES**

The chart below is one example of potential charge card offenses and remedies or penalties for such offenses. Components must otherwise comply with all applicable law and regulatory guidance in determining whether to impose disciplinary or adverse action in any specific case.

OFFENSES	FIRST OFFENSE	SECOND OFFENSE	THIRD OFFENSE
Misuse of Government Travel Charge Card (e.g. use for unauthorized personal expenses, failure to pay charge card bill or pay such bill in a timely manner)	Letter of Counseling to removal	5-day suspension to removal	10-day suspension to removal
Unauthorized use of or failure to appropriately control use of Government Purchase Charge Card as a cardholder, approving official responsible for use or oversight of the Card.	Letter of Counseling to removal	14-day suspension to removal	30-day suspension to removal



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18 JUL 2003

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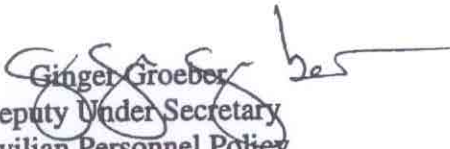
MEMORANDUM FOR DISTRIBUTION

SUBJECT: Enhancements to Defense Civilian Personnel Data System (DCPDS)
for Actions Related to Government Charge Cards

This memorandum provides guidance on enhancements to DCPDS to enable tracking of formal disciplinary and/or adverse actions taken for misconduct related to government charge cards. This follows my April 21, 2003, memorandum implementing the "Government Charge Card Disciplinary Guide for Civilian Employees." These enhancements will facilitate our ability to meet Office of Management and Budget reporting requirements on matters related to charge card issues, including disciplinary actions for misuse.

DCPDS now has new data fields to make distinctions between each type of government charge card. In addition, DCPDS now has the capability to track all natures of action associated with misconduct involving the government charge cards. DoD Components must take appropriate action to implement this guidance in the processing of all government charge card related disciplinary actions effective immediately.

My point of contact on this matter is Mr. Timothy Curry at (703) 696-1450.


Ginger Groeber
Deputy Under Secretary
Civilian Personnel Policy

Attachment:
As stated

ENHANCEMENTS TO DEFENSE CIVILIAN PERSONNEL DATA SYSTEM (DCPDS)

Enhancements to DCPDS were made on May 23, 2003, to enable tracking of formal disciplinary and/or adverse actions taken for misconduct related to government charge cards. These changes were made to facilitate our ability to respond to the Office of Management and Budget (OMB) quarterly reporting requirement. These changes will require some additional input by DCPDS users.

OMB requires information on disciplinary actions for each type of government charge card. DCPDS now has the capability to make distinctions between types of government charge cards. Specifically, the list of values entitled "Cause of Disciplinary Action" now contains new codes and clear text as follows:

<u>Code</u>	<u>Meaning/Description</u>
P1	Misuse of Government Purchase Charge Card
R1	Misuse of Government Travel Charge Card*
S1	Misuse of Government AIR Charge Card
T1	Misuse of Government Fleet Charge Card

*Please note that misuse of a government travel charge card may include failure to pay or untimely payment of government travel charge card debt, along with other misuses of this card.

In addition, the following Nature of Action codes may be associated with each of the above listed offenses in order to generate reports to show what actions are taken and why:

<u>Code</u>	<u>Meaning/Description</u>
920	Reprimand
713	Change to Lower Grade
450	Suspension NTE
452	Suspension Indefinite
330	Removal
317	Resignation

Effective immediately, DCPDS users must use the "Cause of Disciplinary Action" codes listed above to identify the type of government charge card offense and the appropriate nature of action associated with that offense.

Questions regarding how to input these changes may be directed to local systems administrators.